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Testimony of DR. KULDIP S BHOGAL

OWNER / OPERATOR, HIGH CHASE, LLC WILLINGTON. CT

Re: H.B. No. 5037 (COMM) AN ACT ADJUSTING THE STATE BUDGET FOR THE BIENNium ENDING JUNE 30, 2023.

Concerning

Department of Social Services Budget- Residential Care Home Funding

Appropriations Subcommittee on Human Services Public Hearing, February 23, 2022

Senator Osten, Representative Walker, Senator Miner, Representative France and Members of the Appropriations Subcommittee on Human Services, **thank you for the opportunity to offer testimony on the Department of Social Services Budget related to Residential Care Home Funding.**

My name is Dr. Kuldip S Bhogal, and I am the owner / operator of a 36 beds facility in Willington, Tolland. I am here today to raise concerns with the Governor's budget related to residential care homes and express the strong need for a rate increase for residential care homes throughout the state and an increase in wages for our employees.

My home, like so many others in Connecticut, is very old building that requires constant repairs and updates as required by the State inspectors'. I bought High Chase 7 years ago. It was in a dilapidated state and required total renovation. The first year after acquiring a home is the interim rate period that sets the rate for the ensuing years. Unfortunately, I spend most of the funds I had on the desperately needed repairs during this interim rate year. The repairs included a new flat roof with new insulation, a new commercial grade kitchen, new heating system, conversion from oil to propane, new flooring, new bathrooms. The list goes on and on! This resulted in a lower expenditure on the items that counted for the rates assessment. My rate, therefore, ended up much lower than it should be and, in fact, got capped for all the years that followed. I have not been able to catch up with my remaining repairs and general running expenses. All our bills have increased substantially, and our cash flow has reduced to a bare minimum. I still need funds for a new generator, new nurses call system, new furniture for the residents' rooms and the common areas, update our sewer system at some point etc.

We require a good indemnity insurance and Workers Compensation. Both these have also increased substantially during the years.

- a) Almost all our residents are mentally and or physically compromised. Their families have mostly abandoned them, and High Chase is their only home. They always require 24 hours supervision by at least two members of Staff.
- b) We supervise their medication administration, making sure that they are in full compliance. We make sure that all medications are delivered by the Pharmacy on time and check them with their doctors' orders' making sure that they are all correct.. Without this close monitoring, many would miss their medications and then decompensate requiring intervention by the police, the ambulance, the paramedics, and many get admitted to the

hospital for stabilization. Timely medication administration and monitoring compliance for the 36 residents by a visiting nurse would cost the State well over \$600,000.

- c) RCH's provide full board lodge. At High Chase we have both single and double rooms. We provide three meals a day: lunch being our main and freshly cooked meal. The menus are well balanced. We get fresh bread delivered by the bakery twice a week.
- d) We encourage the residents to have daily showers and have installed seven new shower cubicles.
- e) We encourage the residents to change their clothes on a regular basis. Our laundry is outsourced since we have a septic system.
- f) We make sure the residents are followed up by their regular doctors.
- g) I can go on and on. In short, it is real challenge to look after these residents 24 hours a day, 365 days a year.

To do all the above we do need a dedicated team of Staff. Unfortunately, paying employees the necessary wages to attract new people to our industry is almost impossible resulting in higher employee turnover. This has been a challenge all along and has got worse with the Pandemic. We keep losing Staff as we are unable to match with what they can get outside RCH's. In the summer I lost 3 dedicated Staff to UCONN who paid them substantially more than what I could afford. I have spent a lot of money on the new hires. They all require a thorough background check including FBI finger printing before they can be hired per the DPH requirement. Most of our new hires did not stay more than a few weeks since their remuneration was far less than they could get outside our home. I have had to manage with the remaining staff, having to pay them overtime to cover the shifts. Some employees have, in fact, been working 60 / 70 plus hours a week. The minimum wage in CT increased to \$13 / Hour and will go to \$14 / hr. in the Summer. It is impossible to keep up with these increases with our current rates capped. Our industry strives to employ people in long term careers so that they can establish and maintain relationships with our residents. This leads to better long-term health outcomes, stability in the home and savings to our state.

We value our employees who deserve so much more for the work they do for a challenging but rewarding population. Therefore, we need to compensate them adequately to retain them. Furthermore, we need quality employees to provide the kind of service and the standards DPH and the State expects.

Last year's biennium budget included a transfer of some residential care home spending to Medicaid. This shift was done to save the state money and provide residential care homes with much-needed resources. The plan is for residential care homes to become Medicaid billers starting April 1, 2022.

Despite our Association meeting with the Dept. of Social Services several times to discuss this there has been no operationalized plan for residential care homes to become Medicaid billers. **These funds are critically important to our homes and employees who have been counting on the increased revenue to deal with the impact of the pandemic. We would urge the Appropriations Committee to ensure these dollars go to increasing residential care home rates!**

The inconsistent funding also challenges our business operations. We are constantly having to make repairs that are subject to state inspections as mentioned above and yet have virtually no margins to do so. I have had to cut down on the benefits that we provided our employees.

Unlike other providers during the pandemic, we did not see any federal funding to support our work or our employees. The Governor's proposal to enable residential care homes to bill Medicaid acknowledges the need for higher rates.

In summary, we provide a critical service for the state and care for some of the most vulnerable people. We do this for a low cost. My home and other residential care homes throughout the state have had to get by with rates failing to keep up with costs and yet we serve as the safety net for many people with mental health diagnoses and substance abuse issues. Unlike other providers, our residents are almost all state funded limiting our ability to cost shift and make up for low rates.

Please support residential care home funding so that we can keep our great employees and pay them fairer wages while they care for some of the most vulnerable in the state.

Dr. Kuldip S Bhogal
High Chase, LLC